

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 02-0467P

S-Corporation Income Tax
For Calendar Year 1999

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer failed to timely file its Indiana income tax returns for tax years ending December 31, 1998, 1999, 2000 and 2001. At issue in this protest are the penalty billings issued for 1999 and 2001.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer states that it attached a federal extension for the 2001 return. As a result, the penalty has been cancelled. The second is for the 1999 year. Taxpayer's protest is confusing as he merely states that the Department "didn't enforce this rule during 1999 and you shouldn't be allowed to do such in 2002 if you didn't do it in 2000".

Based upon the above information, taxpayer requests that the penalty be waived.

Taxpayer failed to timely file its IT20-S returns for calendar years 1998, 1999, and 2000.

IC 6-8.1-10-2.1(g) states:

A person who fails to file a return for a listed tax that shows no tax liability for a taxable year, other than an information return (as defined in section 6 of this chapter), on or before the due date of the return shall pay a penalty

of ten dollars (\$10) for each day that the return is past due, up to a maximum of two hundred fifty dollars (\$250).

Taxpayer failed to file its returns timely. Two of those returns have already been billed with one being cancelled because a federal extension was attached to the return when filed. The Department has three years from the due date or date of filing to assess additional tax, penalties and interest. The department finds that a negligence penalty is proper.

FINDING

Taxpayer's protest is denied.